Disinvestment in Maruti Udyog Limited

1244. SHRI S.S. AHLUWALIA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that the first ever disinvestment of the Government's holding in Maruti Udyog Limited attracted favourable response of investors;

(b) the details of the offer made by Government and response received thereto; and

(c) whether Government proposes to review the strategy of the proposed disinvestment of equities in companies like HPCL, BPCL, Air India etc. in the light of the quality and magnitude of the response of investors which MUL offer attracted recently?

THE MINISTER OF LAW AND JUSTICE AND THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): (a) Yes, Sir.

(b) The 'Offer for Sale' by Government of approximately 25% equity holding in Maruti Udyog Ltd., was a domestic offering with participation of Indian and global investors as permitted by law, through the book building process. The issue was over-subscribed by more than 10 times. The shares were sold at Rs. 125 per share (par value of Rs. 5). Government realized about Rs. 993 crore through this 'Offer for Sale'.

(c) No, Sir.

PSUs sold to private companies

†1245. DR. PRABHA THAKUR: Will the Minister of DISINVESTMENT be pleased to state:

(a) the number of PSUs sold to the private companies, so far, alongwith the number of PSUs planned to be sold;

(b) the reasons for selling PSUs;

(c) whether unemployment and poverty has not increased as a result of the sale of PSUs;

(d) whether Government have formulated any scheme to provide employment to the persons rendered unemployed; and

†Original notice of the question was received in Hindi.

(e) if so, the details thereof?

THE MINISTER OF LAW AND JUSTICE AND THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): (a) 11 Public Sector Undertakings (PSUs), 19 hotel properties of India Tourism Development Corporation (ITDC) and 3 hotel properties of Hotel Corporation of India Ltd. (HCI) have been disinvested through Strategic Sale alongwith transfer of management control to Strategic Partners. There are 34 PSUs and 2 hotel properties of HCI and 12 hotel properties of ITDC in which disinvestment is at different stages of progress.

(b) Disinvestment of PSUs is done in accordance with the declared policy of the Government under which all non-strategic PSUs can be disinvested upto a level of 26% or lower, to be decided on a case by case basis irrespective of whether they are profit-making or loss incurring.

(c) to (e) Disinvestment is not directly related to unemployment. In one PSU employment has increased after disinvestment. In several PSUs employees' separation commenced even prior to disinvestment and was required for making these companies, viable. Disinvestment does not mean closing down of the company. Instead, strategic sale alongwith transfer of management control is expected to unleash the productive potential of public sector assets and promote efficiency enhancement which is the only sustainable way of providing employment opportunities.

Tenure of Disinvestment Commission

1246. SHRI JANARDHANA POOJARY: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that the tenure of Disinvestment Commission has further been extended;

(b) if so, the details in this regard with details of PSUs under consideration of the Commission for Disinvestment;

(c) the PSUs disinvested so far with details of Government's stake in each of them and proceeds derived from each disinvestment;

(d) whether it is a fact that there is a lot of resentment among the employees, particularly of successful PSUs, on the issue of disinvestment; and